

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF determining
Whether there has been a violation of the
Securities Act of Washington by:

David T. Ramsden,

Respondent.

SDO – 99 – 27

STATEMENT OF CHARGES AND NOTICE
OF INTENTION TO REVOKE SECURITIES
SALESPERSON REGISTRATION

Case No. 97-10-499

THE STATE OF WASHINGTON TO: DAVID T. RAMSDEN
C/O INTEGRATED FINANCIAL PLANNING SERVICES
622 FRONT STREET
PORT ANGELES, WA 98362

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent, David T. Ramsden, has engaged in dishonest and unethical practices in the securities business while acting as a registered securities salesperson for Integrated Financial Planning Services and United Pacific Securities, Inc., and that those practices justify the entry of an order of the Securities Administrator under RCW 21.20.110(1)(g), suspending and/or revoking Respondent's securities salesperson registration.

The Securities Administrator finds as follows:

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Olympia, WA 98507-9033
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1 **TENTATIVE FINDINGS OF FACT**

2 **RESPONDENT**

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4 1. David T. Ramsden ("Ramsden") is registered with the State of Washington as a securities salesperson for
5 Integrated Financial Planning Services ("IFPS"). IFPS is a broker/dealer of securities and has its principal place of
6 business at Karlstrasse 20 Heidelberg 69117, Germany.

7 2. Ramsden was registered with the State of Washington as a securities salesperson for United Pacific Securities,
8 Inc. ("UPS") from April 1992 through December 1996. UPS is a broker/dealer of securities and has its principal place of
9 business at 5950 LA Place Ct., #160, Carlsbad, CA 92008-0000.

10 3. Ramsden was registered with the State of Washington as a securities salesperson for Titan/Value Equities
11 Group, Inc. ("Titan") from June 1987 through March 1992. Titan is a broker/dealer of securities and has its principal
12 place of business at 8001 Irvine Center Dr., Suite 710, Irvine, CA 92618.

13 **NATURE OF RAMSDEN'S CONDUCT**

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15 4. Beginning on or about March of 1989 Ramsden began advising a retired 74 year old, Washington resident (the
16 "Investor") regarding investments. The Investor was on a fixed income, consisting of approximately \$15,000 per year
17 provided by social security. The Investor had a net worth of less than \$200,000. His experience with securities consisted
18 mainly of purchases of mutual funds. Despite this background, Ramsden advised the Investor to enter into a series of
19 high-risk ventures, totaling approximately \$134,050, and included limited partnerships and personal loans to Ramsden.

20 Ramsden Made Unsuitable Recommendations to Clients

21 5. On or about March 9, 1989, when the Investor was approximately 75 years old, Ramsden sold the Investor
22 \$10,000 worth of Phoenix Leasing Cash Distribution Fund III, ("Phoenix") a limited partnership engaging in equipment
23 leasing and financing. This investment was speculative in nature. Interests in Phoenix are not traded on any exchange
24 and there is no public or organized trading market for them

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1 6. On or about March 20, 1989, Ramsden sold the Investor \$10,000 worth of interests in Southwest Oil & Gas IF
2 VIII-A ("Southwest VIII-A") a limited partnership engaging in oil and gas production and sales. This investment was
3 speculative in nature. Interests in Southwest VIII-A are not traded on any exchange and there is no public or organized
4 trading market for them. Ramsden signed the section of the application stating that he "reasonably believes that this
5 investment is suitable for the subscriber(s) whose name(s) appear above and represents that he has informed such
6 subscriber(s) as to the liquidity and marketability of an investment in the Partnership."

7 7. On or about July 1990, when the Investor was approximately 76 years old, Ramsden sold the Investor \$10,000
8 worth of Windsor Park Properties ("Windsor Park") a limited partnership engaging in real estate investments. Interests in
9 Windsor are not traded on any exchange and there is no public or organized trading market for them.

10 8. On or about April 1991, when the Investor was approximately 77 years old, Ramsden sold the Investor \$5,000
11 worth of Southwest Oil & Gas IF X-B, LP ("Southwest X-B"), another limited partnership engaging in oil and gas
12 production and sales. This investment was speculative in nature.

13 9. On or about December 1993, when the Investor was approximately 79 years old, Ramsden sold the Investor
14 \$12,150 worth of Texas Keystone 1993-317 Drilling Program ("Texas Keystone") a limited partnership engaging in oil
15 and gas production and sales. Texas Keystone offered this investment as a private placement. The interests in Texas
16 Keystone are not traded on any exchange and there is no public or organized market for them.

17 Ramsden Borrowed Money from his Client

18 10. Beginning on or about May 11, 1990, Ramsden took a \$40,000 loan, with a one-year term, from the
19 Investor. This loan was evidenced by a Promissory Note dated May 1, 1990 and a Deed of Trust. This deed of trust was
20 later amended to add an additional \$2,000 to the loan. The note was marked as repaid on or about February 15, 1991.

21 11. On or about May 11, 1991, Ramsden took a second loan, this time for \$72,000, and a four-year term. The
22 loan was evidenced by promissory note and secured by a deed of trust, recorded on February 20, 1991.

23 12. Four years later, on or about July 1, 1995, when the second loan was due, Ramsden took a third loan from the
24 Resident, in the amount of \$86,900 having a five year term and evidenced by a promissory note and deed of trust,
25 recorded July 1, 1995.

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1 13. After the Investor's death in 1996, the Executor for the Investor's Estate contacted Ramsden regarding
2 repayment of the \$78,123.65 still unpaid on these loans and regarding the investments Ramsden sold, as described in
3 paragraphs four through eight. Ramsden agreed to pay the Investor's Estate according to the terms of the note.

4 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

5 6 **CONCLUSIONS OF LAW**

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8 14. Ramsden, as described above, engaged in one or more dishonest or unethical practices in the securities
9 business as defined by WAC 460-22B-090(7) by failing to have reasonable grounds for believing that recommendations
10 for the purchase, sale or exchange of a security were suitable in light of the customer's investment objectives, financial
11 situation and needs in violation of RCW 21.20.702. Such practice is grounds for suspension and/or revocation of
12 Ramsden's securities salesperson registration pursuant to RCW 21.20.110(g).

13 15. Ramsden, as described above, engaged in one or more dishonest or unethical practices in the securities
14 business as defined by WAC 460-22B-090(1), by engaging in the practice of borrowing money from a customer. Such
15 practice is grounds for suspension and/or revocation of Ramsden's securities salesperson registration pursuant to RCW
16 21.20.110(g).

17 **NOTICE OF INTENTION TO REVOKE SECURITIES SALESPERSON'S REGISTRATION**

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19 Based on the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to
20 order that the Respondent's Securities Salesperson Registration be revoked.

21 22 **AUTHORITY AND PROCEDURE**

23 This STATEMENT OF CHARGES AND NOTICE OF INTENTION TO CENSURE SECURITIES
24 SALESPERSON is entered pursuant to the provisions of RCW 21.20.110 and is subject to the provisions of RCW

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1 21.20.120, and is subject to the provisions of ch. 34.05 RCW. The respondent, David T. Ramsden may make a written
2 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
3 HEARING accompanying this order. If Mr. Ramsden does not request a hearing in this matter, the Securities
4 Administrator will, based on the foregoing Findings of Fact and Conclusions of Law, enter an order revoking Mr.
5 Ramsden's securities salesperson registration.

6 DATED this 24 day of May, 1999.

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JOHN L. BLEY
Director, Department of Financial Institutions

10 Presented by:

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Kristina L. Kneip
Securities Examiner

14 Approved by:

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16 Michael E. Stevenson
Chief of Compliance

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